

REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.hawaii.gov/hirec

MINUTES OF MEETING

The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Friday, September 28, 2007

Time: 9:00 a.m.

Place: Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Present: Trudy Nishihara, Chair, Broker/Honolulu Commissioner
Louis Abrams, Broker/Kauai Commissioner
Annette Aiona, Broker/Hawaii Island Commissioner
Carol Ball, Broker/Maui Commissioner
William S. Chee, Broker/Honolulu Commissioner
Frances Gendrano, Broker/Honolulu Commissioner
Michele Sunahara Loudermilk, Public/Honolulu Commissioner
Mark Suiso, Public/Honolulu Commissioner

Calvin Kimura, Supervising Executive Officer
Neil Fujitani, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
David Grupen, Condominium Specialist
James Paige, Deputy Attorney General
Lei Fukumura, Special Deputy Attorney General
Irene Kotaka, Secretary

Ryan Yamashiro
Michael Tullis
Michael O'Malley
Harmony Darrohn
Joel C. Navasca (via teleconference)
Sergey Fednov (via teleconference)

Absent: Stanley Kuriyama, Vice Chair, Broker/Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 9:03 a.m., at which time quorum was established.

Chair's Report: The Chair announced that the Commission may move into executive session to consider and evaluate personal information relating to individuals applying for licensure in accordance with Section 92-5(a)(1), HRS, and/or to consult with the Commission's attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities in accordance with Section 92-5(a)(4), HRS.

Commissioner Kuriyama was excused from the meeting. Prior notification of his non-attendance was received.

Certificate of Appreciation

Chair Nishihara presented a Certificate of Appreciation to Ryan Yamashiro, former Real Estate Specialist with the Real Estate Branch. She thanked him for his hard work and said that he will be missed.

Executive Officer's Report:

The Executive Officer informed the Commissioners that the original applications with any original associated documents to be considered at the meeting were available for review.

Additions to the Agenda

Upon a motion by Commissioner Abrams, seconded by Commissioner Ball, it was voted on and unanimously carried to add the following item to the agenda:

6. License – Applications
 - f. Richard M. Wiseman

Additional Distribution

The following material was distributed prior to the start of the meeting:

Licensing – Applications

6. License – Applications
 - b. Sergey Fednov

Minutes of Previous Meeting

Upon a motion by Commissioner Chee, seconded by Commissioner Ball, it was voted on and unanimously carried to accept the minutes of the August 24, 2007 meeting.

Licensing – Ratification:

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Abrams, it was voted on and unanimously carried to ratify the attached list.

Licensing – Applications:

The EO informed the Commissioners that the information provided to the Commissioners is related only to the issue that is before the Commission for consideration. The other materials submitted are available for the Commissioners review should they desire to review it. If the applicants have an issue, which is personal in nature, they have the right to request that their application be considered in executive session.

Joel C. Navasca

Joel C. Navasca was present via teleconference pursuant to his request. Mr. Navasca was asked if he wished to have his application for a real estate salesperson's license considered in executive session. He declined the offer.

Mr. Navasca said that he did not wish to provide additional information, as he was confident that he had provided sufficient information.

Mr. Navasca provided information on what had happened to him in the last 15 years. He confirmed that he will be working with ACG Realty if he is licensed. He is currently employed part-time at Stuart Anderson's and works three days a week as a cook. His mortgage business provides the bread and butter of his income. If he is licensed, he is planning to work in real estate full time. His wife is a loan officer, will be collaborating with him, and will be handling the loans.

Upon a motion by Commissioner Abrams, seconded by Commissioner Chee, it was voted on and unanimously carried to take this matter under advisement.

Mr. Navasca thanked the Commission for allowing him the opportunity to speak. He said that he helps people in the community and it is a privilege to learn real estate and mortgage so that he can share the information that he has learned with others.

Sergey Fednov

Sergey Fednov was present via teleconference pursuant to his request.

Mr. Fednov was asked if he wished to have his application for a real estate salesperson's license considered in executive session. Mr. Fednov stated that he did not have a preference. His application was considered in open session.

Mr. Fednov said that he is licensed in California and he is applying for an inactive real estate salesperson's license in Hawaii. Once his license is approved, he will sign on with the real estate broker of his choice. Mr. Fednov said that there was no difference in the restricted license and that the restrictions did not deal with his real estate practice. Mr. Fednov informed the Commissioners that real estate was his primary source of income.

Mr. Fednov was informed that he had answered "No" to the question "Have any complaints or charges ever been filed against you, regardless of outcome, with the licensing agency of any State?" Mr. Fednov was asked if his restricted California license was not filed against that. He answered, "Yes." He said that he never had any issues with the California Department of Real Estate ("DRE"). His license is in good standing and he practices professionally. He has had a restricted license ever since he received his license. Mr. Fednov was asked why the complaint filed by the California DRE involved moral turpitude and substantially related to the qualifications and functions or duties of a real estate licensee. Mr. Fednov said that once he applied for his California license, the application asked if he had been convicted of a DUI. He answered yes and submitted information to the California DRE. The outcome was that they decided to grant him a restricted license and he agreed to it.

The document that Mr. Fednov submitted requires that Mr. Fednov complete two courses within 18 months after his licensure. The Commission asked Mr. Fednov if he had completed the courses and if he had proof of his completing the courses from the California DRE. Mr. Fednov said that he went to a private real estate school and took a course on financing and banking laws. He

submitted evidence that he had completed the two courses. He said that he submitted the documents to the California DRE.

Mr. Fednov was asked to provide proof of his having satisfied the conditions on the stipulation and waiver. The August 14, 2007 letter states that he completed the courses. The courses mentioned in the August 14, 2007 letter were the courses that were required to apply for the California real estate license examination. As a condition for his restricted license, Mr. Fednov was required to complete two courses in real estate law and broker's management. Mr. Fednov was asked to submit evidence of having completed the course requirement for his restricted license. Mr. Fednov informed the Commissioners that he did not have a copy of the completion certificates as he lost his copies while moving. He only had a copy of the August 14, 2007 letter from the California DRE.

Mr. Fednov was issued a restricted license in 2004 and his license will expire in 2008.

Mr. Fednov was asked about his website address, www.TrustSale.com. Mr. Fednov said that it was his personal website. He also said that it was a MLS search site and contained forms. He pays for the service. Much of the information contained on the website is from a template. Mr. Fednov was asked if his California broker allows him to have the website. His real estate broker's name appears on the website.

The DUI conviction in California is considered a moral turpitude issue in California and is within the scope of a real estate license. In Hawaii, the Commission considers a DUI conviction to be directly related to the duties and responsibilities of a real estate licensee.

Mr. Fednov said he received the DUI conviction prior to getting his California real estate license. He has not drunk in the last four to five years.

When asked why he answered no to the question on his conviction, he said he was not sure if a DUI was considered a crime in Hawaii. He was convicted in California, but felt that it might not be a crime in Hawaii.

On Mr. Fednov's website, it was noted that the only time his broker's name appeared was on the "Contact Me" page. The home page did not show his real estate broker's name or number. Mr. Fednov stated that everything on the website was set up by the company that he contracted to develop the website. He did not have anything to do with the actual creation of the website.

The Commission expressed concerns that Mr. Fednov did not take responsibility for the information or lack of information that was contained on the website. The Commissioners congratulated Mr. Fednov for overcoming his drinking problem, however, they advised him that the licensee must still take responsibility for his actions when it involves his real estate license, such as what is contained on the website.

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Chee, it was voted on and unanimously carried to take this matter under advisement.

Secret Sands LLC

Michael Tullis, applicant, and Michael O'Malley, Mr. Tullis' tax attorney, were present at the meeting. They were asked if they wished to have the condominium hotel operator registration of Secret Sands LLC considered in executive session. They declined the offer.

Mr. Tullis explained that he worked for a United States Senator from Utah as a trustee of a trust. The officers failed to pay the withholding tax. He filled out the IRS questionnaire truthfully and was informed that he would be held responsible for his actions. As a trustee, he does not believe that he is responsible for it. At the end of the process, which would be approximately another year and a half, he may have to pay the liens.

Mr. O'Malley added that had Mr. Tullis had advice from an attorney, he might have answered the questions differently. He needs to go through the offer-in-compromise process in order to enter into discussions with the IRS.

Mr. O'Malley informed the Commissioners that the filing of the lien is administrative. It protects the IRS until the matter is settled. Mr. O'Malley said that Mr. Tullis could appeal the decision and go to court; however, he is recommending that Mr. Tullis go through the process and see where it ends up. If it is determined that he is responsible for the liability, Mr. Tullis will work with them to secure a payment plan. Typically, anyone near to the company would get dragged in. Mr. Tullis answered the questionnaire in a fashion that indicated that he might have had day-to-day authority over the company.

In response to a question on how Mr. Tullis could have held several offices without his knowing, Mr. Tullis stated that the secretary listed him as a treasurer and in various officer positions without his awareness. The company had a President and Chief Financial Officer that was a certified public accountant.

Mr. Tullis said that when people have substantial interests, such as the U. S. Senator, they would put their moneys into a trust. Management told Mr. Tullis that they were working things out with the IRS. He was unaware that he was listed as the president of the corporation until this happened. The secretary had signed the documents stating that he was the president. Mr. Tullis said that in hindsight, he should have taken action to clear it up the error, but he did not.

With regard to the complaint that was filed, Mr. Tullis said that it was a dormant lawsuit. He has not paid a bill for the legal fees in years. They were supposed to go to trial a year ago but nothing has happened. The Senator's home was included as an asset but it should not have been because the Senator's wife owned the home.

Mr. Tullis said that he is the sole owner of Secret Sands LLC. Ho'ohu Road is where the office will be if the CHO registration is approved. The units to be managed are all owned by other people. He has purchased a unit in the Regency at Poipu Kai. He has not executed management contracts with the units listed on the registration. Mr. Tullis said that he is experienced in running hotels and he wants to marry his marketing and managing skills. He felt that there were two or three projects that might meet his marketing criteria. He has

communicated with the owners of the units and informed them that he is not registered as a CHO but he hopes to obtain his registration.

Mr. Tullis said that he was having difficulty finding information on trust accounts. Common sense tells him that he will put all of the funds collected directly into a trust account. He would use a certified public accountant on Kauai to manage and oversee these accounts. He understands controls and compliance issues.

When asked about the relationship between Arcadia International, Inc. and Avante Windows, Mr. Tullis responded that Arcadia International, Inc. is the official name of the holding company and Avante is the trade name.

The Commission expressed their concerns with Mr. Tullis' unfamiliarity with the actual content of the application. Mr. Tullis informed the Commissioners that Waipouli Beach Resort is managed by Outrigger and the Regency at Poipu Kai has various companies managing the units. Mr. Tullis said that he has not approached the owners yet. The unit numbers listed on the application are the units that they identified from their marketing study as having air conditioning or ocean front views.

When asked about the status of the offer-in-compromise, Mr. Tullis stated that they are in the process of preparing the documents for submission. The Commission asked to be notified of the progress of the offer-in-compromise.

Mr. Tullis was asked what he would do if the guests wanted to stay more than 30 days. Mr. Tullis said that they could not allow that under the laws and rules.

Upon a motion by Commissioner Abrams, seconded by Commissioner Chee, it was voted on and unanimously carried to take this matter under advisement.

Chapter 91, HRS,
Adjudicatory
Matters:

The Chair called for a recess from the meeting at 10:05 a.m., to discuss and deliberate on the following adjudicatory matters, pursuant to Chapter 91, HRS:

In the Matter of the Real Estate Broker's License of Lloyd J. Iwasaki, individually and doing business as Kahala Real Estate; REC 2005-207-L

This matter was deferred to the October 26, 2007 Real Estate Commission Meeting.

In the Matter of the Real Estate License of Greg S. Gines; REC 2007-27-L

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Ball, it was voted on and unanimously carried to accept the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Commission's Final Order.

Following the Commission's review, deliberation, and decisions in these matters, pursuant to Chapter 91, HRS, the Chair announced that the Commission was reconvening its scheduled meeting at 10:07 a.m.

Executive Session: Upon a motion by Commissioner Abrams, seconded by Commissioner Chee, it was voted on and unanimously carried to enter into executive session, pursuant to Section 92-5(a)(1), HRS, "To consider and evaluate personal information, relating to individuals applying for professional or vocational licenses cited in section 26-9 or both;" and Section 92-5(a)(4), HRS."

Upon a motion by Commissioner Aiona, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to move out of executive session.

Licensing –
Applications:

Joel C. Navasca

After a review of the information presented by the applicant, Commissioner Chee moved to approve the real estate salesperson's license of Joel C. Navasca. Commissioner Loudermilk seconded the motion. The motion was voted on and unanimously carried.

Sergey Fednov

After a review of the information presented by the applicant, Commissioner Chee moved to deny the real estate salesperson's license application of Sergey Fednov, pursuant to §§ 467-8(a)(3), 436B-19(1), and (8), HRS, based on the failure to disclose on the "Application for License – Real Estate," the criminal convictions and the disciplinary action taken against Mr. Fednov's California real estate salesperson's license. Commissioner Abrams seconded the motion. The motion was voted on and unanimously carried.

Regina Lewis

After a review of the information submitted by the applicant, Commissioner Loudermilk moved to approve the real estate salesperson's license application of Regina Lewis. Commissioner Chee seconded the motion. The motion was voted on and unanimously carried.

Nathan Paul Jeffcoat

After a review of the information submitted by the applicant, Commissioner Loudermilk moved to most likely approve the conditional real estate salesperson's license application of Nathan Paul Jeffcoat. Commissioner Aiona seconded the motion. The motion was voted on and unanimously carried.

Secret Sands LLC

After a review of the information presented by the applicant, Commissioner Loudermilk moved to deny the condominium hotel operator registration of Secret Sands LLC, pursuant to §§467-8(a)(3) and 436B-19(8), HRS, based on Mr. Tullis' lack of evidence supporting his competency in the oversight of the condominium hotel operator registration. Commissioner Chee seconded the motion. Commissioners Aiona, Ball, Chee, Gendrano, Loudermilk, Nishihara, and Suiso voted in favor of the motion. Commissioner Abrams voted against the motion. The motion was carried.

Richard M. Wiseman

After a review of the information submitted by the applicant, Commissioner Aiona moved to approve the real estate salesperson's license of Richard M. Wiseman. Commissioner Loudermilk seconded the motion. The motion was voted on and unanimously carried.

Recovery Fund Report: No report was presented.

Next Meeting: Friday, October 26, 2007
9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Adjournment: With no further business to discuss, Chair Nishihara adjourned the meeting at 10:44 a.m.

Reviewed and approved by:

Neil Fujitani, Executive Officer

October 12, 2007
Date

[] Approved as circulated.
[] Approved with corrections; see minutes of _____ meeting.

APPROVED APPLICATIONS FOR REAL ESTATE
REAL ESTATE COMMISSION MEETING ON SEPTEMBER 28, 2007

<u>Brokers – Limited Liability Companies and Partnerships</u>	<u>Effective Date</u>
SGG LLC, Gatchell Realty and Development Steven G. Gatchell, PB	08/10/07
Gail Kubo Realty LLC Gail Kubo, PB	08/20/07
CF Properties & Management, LLC Cheryl Okamura-Fansler, PB	08/24/07
Catherine Medina Maui Realtors, LLC Catherine Medina, PB	08/27/07
Damon Realty Advisors, LLC Hugh C. Damon, PB	09/06/07
Vidad Realty LLC Maria Susana C. Vidad, PB	09/10/07
<u>Brokers – Corporations and Partnerships</u>	<u>Effective Date</u>
Vantage Island Properties, Inc. Julia Pankow-Kelly, PB	08/27/07
<u>Trade Name</u>	<u>Effective Date</u>
Martha Sundara, Pacific Capital Realty	08/14/07
Teresa A. Bryant, Luxury Home Consulting	08/23/07
Joviane M. Randall, J.R. & Associates Realty	09/10/07
<u>Brokers – Sole Proprietor</u>	<u>Effective Date</u>
John H. Hilliard, Jr., Rainbow Maui Realty	08/15/07
Joviane M. Randall	08/15/07
Richard B. Ferguson	08/20/07
Gary W. Klever	08/21/07
Kenneth Dresner, Princeville Properties	08/24/07
Luong Lam, Calwai Realty	09/05/07
Michael J. Peters	09/16/07
<u>Equivalency to Uniform Section of Examination Certificate</u>	<u>Expiration Date</u>
Hillary Saunders Treece	08/15/09
Marc Evan Radin	08/15/09
Brandon Philip Price	08/16/09
Shaun Howland Walter	08/16/09
John Gregory Stanaland	08/16/09
Mary Jeanne Winterstrom	08/16/09
Sara Senter Nott	08/20/09
Sherri A. Fuller	08/20/09
Michael Allen Housen	08/20/09
Linda Laddavan Pinkerton	08/20/09
David Wayne Hudson	08/20/09
Nancy Chelin Mahr	08/20/09
Ruth Reed	08/22/09
Michael J. Piscoran	08/24/09

Equivalency to Uniform Section of Examination Certificate

Chris A. Madsen	08/24/09
Sandra Ann Parmley	08/24/09
Craig Steven Becker	08/27/07
Mark Elliot Schultz	08/27/07
William Ashley Willis	08/27/09
Robert James Obermeyer	08/30/09
Vicki Anne D'Annunzio	08/31/09
Robert James Isaac	08/31/09
David John Robison	09/04/09
Desiree Grenier	09/04/09
Murray Allan Thompson	09/04/09
Theodore Lee Whang	09/04/09
Diane Lynn Gates	09/06/09
Gary Paul De Arman	09/06/09
Teri Elaine Ocegüera	09/10/09
Jerry Wayne Sheppard	09/11/09
John R. Senske, Jr.	09/11/09
Shirlene A. Reeves	09/11/09
Douglas Robert Fischer	09/11/09
John D. Mayo	09/12/09
Christine Alice Hurd	09/13/09
Elizabeth Rachel Jones	09/13/09
Phillip M. Jones	09/13/09
Carol Jean Hall	09/13/09
Gregory John Navone	09/13/09
Mario Cisneros	09/13/09
Mary Ann Cane	09/14/09
Cheryl Lynn Kauffmann	09/14/09
Maria Christa Bancroft	09/14/09
Valerie Jean Martin	09/14/09
Sean Craig Combs	09/17/09

Expiration Date

Educational Equivalency Certificate

Hillary Saunders Treece	08/15/09
Marc Evan Radin	08/15/09
Brandon Philip Price	08/16/09
Shaun Howland Walter	08/16/09
Jay Kamalei Elicker	08/16/09
Gerald Thomas Walsh Jr.	08/16/09
John Gregory Stanaland	08/16/09
Mary Jeanne Winterstrom	08/16/09
Sara Senter Nott	08/20/09
Sherri A. Fuller	08/20/09
Linda Laddavan Pinkerton	08/20/09
David Wayne Hudson	08/20/09
Nancy Chelin Mahr	08/20/09
Ruth Reed	08/22/09
Crysttal Elaine Atkins	08/22/09
Michael J. Piscoran	08/24/09
Sandra Ann Parmley	08/24/09
Chiu Hien Everett	08/27/09

Expiration Date

Educational Equivalency Certificate

	<u>Expiration Date</u>
Craig Steven Becker	08/27/09
Mark Elliot Schultz	08/27/09
William Ashley Willis	08/27/09
Robert James Obermeyer	08/30/09
Vicki Anne D'Annunzio	08/31/09
John L. Tyrrell	09/07/09
David John Robison	09/04/09
Desiree Grenier	09/04/09
Murray Allan Thompson	09/04/09
Theodore Lee Whang	09/04/09
Susie Lau Ing	09/04/09
Diane Lynn Gates	09/06/09
Gary Paul De Arman	09/06/09
Teri Elaine Ocegüera	09/10/09
Jerry Wayne Sheppard	09/11/09
John R. Senske, Jr.	09/11/09
Shirlene A. Reeves	09/11/09
Brian Jason Brewer	09/11/09
Lemin Lee Chang	09/11/09
Douglas Robert Fischer	09/11/09
John D. Mayo	09/12/09
Setsuko Regina Gormley	09/12/09
Christine Alice Hurd	09/13/09
Elizabeth Rachel Jones	09/13/09
Phillip M. Jones	09/13/09
Gregory John Navone	09/13/09
Mario Cisneros	09/13/09
Mary Ann Cane	09/14/09
Cheryl Lynn Kauffmann	09/14/09
Maria Christa Bancroft	09/14/09
Valerie Jean Martin	09/14/09
Ryan Gingerich	09/14/09
Sean Craig Combs	09/17/09

Real Estate Broker Experience Certificate

	<u>Expiration Date</u>
Brandon Philip Price	08/16/09
Thaddeus Vincent Marckesano	08/16/09
John Gregory Stanaland	08/16/09
Cynthia D. Harrison	08/16/09
Sara Senter Nott	08/20/09
Linda Laddavan Pinkerton	08/20/09
Nancy Chelin Mahr	08/20/09
Rita See Kit Wong	08/22/09
Sandra Ann Parmley	08/24/09
Craig Steven Becker	08/27/09
Mark Elliot Schultz	08/27/09
Ronald Edward Henry Atkinson	08/27/09
Sara C. Williams	08/28/09
Michael Thomas Suter	08/28/09
Gary Evora	08/30/09
Jeremy Ian Hunter	08/31/09

Real Estate Broker Experience Certificate

	<u>Expiration Date</u>
John L. Tyrrell	09/07/09
Bradley R. Skinner	09/07/09
Murray Allan Thompson	09/04/09
John R. Senske, Jr.	09/11/09
Dwayne Melvin Morris	09/12/09
Gregory John Navone	09/13/09
Mario Cisneros	09/13/09
Derek Choi Lau	09/13/09
Mary Ann Cane	09/14/09
Marina Dawn Batham	09/14/09
Joseph Gibson Blackburn II	09/14/09
Jeffrey Lawrence Olson	09/14/09

Real Estate Broker (upgrade)

	<u>Effective Date</u>
Lynn Larkin	08/16/07
Demetria Wingfield	08/16/07
Lisa Barry	08/16/07
Christian Y. S. Beattie	08/16/07
Caleb A. Palmer	08/20/07
Gary Brumbaugh	08/20/07
Rolando "Rolly" Fernandez	08/21/07
Cliff Colvin	08/23/07
Monica Takabayashi	08/24/07
Jeremy K. Sosner	08/24/07
Julia Pankow-Kelly	08/27/07
Catherine Medina	08/27/07
Linda Kelley	08/28/07
Pei-Yu Wen	08/29/07
Mike May	08/30/07
Richard P. Taylor	08/30/07
Shannon Heaven	08/30/07
Kiran D. Polk	09/04/07
Ismar Maslic	09/04/07
Alexander Lunginovic	09/04/07
Luong Q. Lam	09/05/07
Laura T. Nakatani	09/05/07
Maria Susana C. Vidad	09/10/07
Jennifer L. Moscovich	09/10/07
Keiko Kishida	09/10/07
Karolyn J. Morris	09/11/07
J. Kenyon Grier	09/14/07
James Ogawa	09/14/07

Restoration – Real Estate Broker

	<u>Effective Date</u>
Candice J. Morgan	08/31/07